

# MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

## OPEN MEETING MINUTES

December 10, 2020

The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Clem Kaikis	Anthony Williams
Gina Ramsey	Mark Harrison
Chuck Martin	Mike Howard
Mara Sierocinski	Stanley Tucker
Sharon Pinder	Tim Smoot
Laura Pasternak	Robin Harris

Attorney General's Office  
Barbara Kountz, Deputy Counsel

## AGENDA

### MINUTES

November 24, 2020

December 3, 2020

### EXTENSIONS

Tri-State Solutions of Maryland, LLC

Physical and Sports Rehab, Inc.

Flight Fab, Inc.

New City Construction, LLC

MainStreet Technologies, Inc.

Point of Excellence Beauty Academy

### REPORT

Shea Radiance, LLC

### MODIFICATION

Phenomenal, LLC

### NEW REQUESTS

Victory Home Health Care, LLC - (COVID-19)

Gurmehar, LLC - (COVID-19)

309 Atlantic Avenue of OC, LLC - (COVID-19)

Interdynamics, Inc. - (COVID-19)

Markus Enterprises, Inc. - (COVID-19)

The closed session of the December 3, 2020, meeting was summarized. The Authority Board meeting was attended by Les Hall, Clem Kaikis, Laura Pasternak, Chuck Martin, Mara Sierocinski, Sharon Pinder, Gina Ramsey, and Kenny Oreagba. The meeting was closed pursuant to General Provisions Article 3-305(b)(13), to comply with a specific statutory requirement that prevents public disclosures about a particular proceeding or matter, that is, the Maryland Public Information Act, which prohibits disclosure of trade secrets, confidential commercial and confidential financial information. The meeting was closed to discuss the new requests of AvDyne AeroServices, LLC, Bright Colors Painting, LLC, Maryland Testing Services, Inc., and Tri-State Solutions of Maryland, LLC. All of the requests were approved.

COVID 19 Emergency Relief Loan Fund

AvDyne AeroServices, LLC - \$200,000  
Bright Colors Painting, LLC - \$20,500 (part 2)  
Maryland Testing Services, Inc. - \$50,000  
Tri-State Solutions of Maryland, LLC - \$125,000

MINUTES

November 24, 2020  
December 3, 2020

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the minutes with an amendment to the November 24, 2020 minutes.

EXTENSION

**Presenter:** Anthony Williams

**Applicant:** Tri-State Solutions of Maryland, LLC

**Loan Amount:** \$300,000 Contract Financing Line of Credit

**Original Approval Date:** June 25, 2020

**Comments:** Approval was requested for an approval date extension through January 28, 2021, to allow more time to close the loan.

**Discussion:** There was limited discussion regarding the request.

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

**EXTENSION**

**Presenter:** Anthony Williams

**Applicant:** Physical and Sports Rehab, Inc.

**Loan Amount:** \$100,000 Line of Credit (50% Guaranty)

**Original Approval Date:** June 28, 2018

**Comments:** Approval was requested for an extension of the approval date through January 28, 2021, to allow more time for the renewal request to close.

**Discussion:** There was limited discussion regarding the pending renewal request.

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

**EXTENSION**

**Presenter:** Randy Croxton

**Applicant:** MainStreet Technologies, Inc.

**Loan Amount:** \$750,000 Line of Credit

**Original Approval Date:** March 31, 2016

**Request:** A maturity date extension to February 25, 2021, was requested to allow more time to prepare for a renewal.

**Discussion:** The following was discussed:

1. The COVID-19 pandemic economic impact on the company
2. The company's revenue performance actuals versus projections
3. The company's ability to pay down the facility
4. The company's bankability; projected graduation; potential lenders

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

**EXTENSION**

**Presenter:** Randy Croxton

**Applicant:** Point of Excellence Beauty Academy, LLC

**Loan Amount:**  
1. \$50,000 EPIP Term Loan  
2. \$250,000 Surety Bond Direct

**Comments:** An approval extension for both facilities to February 25, 2021, was requested to allow more time to settle the two facilities.

**Discussion:** There was limited discussion regarding the timing of the pending certification of the borrower to begin operations.

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

**EXTENSION**

**Presenter:** Tim Smoot

**Applicant:** New City Construction, LLC

**Loan Amount:** \$75,000 Line of Credit (80% Guaranty)

**Original Approval Date:** September 27, 2018

**Comments:** Approval was requested for a maturity date extension through January 28, 2021, to allow time to prepare for a renewal.

**Discussion:** There was limited discussion regarding the request.

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

## **EXTENSION**

**Presenter:** Tim Smoot

**Applicant:** Flight Fab, Inc.

**Loan Amount:** \$800,000 Contract Financing Line of Credit

**Original Approval Date:** September 12, 2019

**Request:** Approval was requested for a maturity date extension of the line of credit to January 28, 2021.

**Discussion:** The following was discussed:

1. Status of the company identifying a lender to pay off the MSBDFA facility, reasons for the delay and declinations
2. MSBDFA's constraints to continue to keep the line open and available beyond its maturity date

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

## **REPORT**

**Presenter:** Tim Smoot

**Applicant:** Shea Radiance, LLC

**Loan Amount:**

1. \$100,000 Term Loan
2. \$50,000 Line of Credit

**Original Approval Date:** November 12, 2020

**Comments:** The \$50,000 Line of Credit was rescinded and a Line of Credit facility was approved under the Maryland Casino Business Investment Fund (MCBIF). The rescission was due to the line of credit disbursement processing delays caused by the COVID-19 pandemic disruptions affecting COMMERCE's operations; and the special payment arrangements required for the facility.


**Discussion:** There was limited discussion regarding the request.

**Action Taken:** No action was required.

**NOTE:** Tim Smoot informed the meeting of Baltimore City's COVID-19 restaurant restrictions becoming more stringent. It is anticipated the increased restrictions will impact some of the current portfolio companies and necessitate more loan deferment requests.

The Open Meeting then closed at 1:35 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), "to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter", that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

**APPROVED:**

  
Celester A. Hall  
Chairman

**DATE:**

12-21-20

**MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY**

**PRESIDING OFFICER'S WRITTEN STATEMENT FOR CLOSING A MEETING  
UNDER THE OPEN MEETINGS ACT  
(General Provisions Article § 3-305)**

**1. Recorded vote to close the meeting:**

Date: December 10, 2020

Time: 1:35 pm – 2:14 pm

Location: Held by conference call only due to COVID 19 pandemic at  
470.869.2200/428 245 6027

Motion to close meeting made by: Sharon Pinder; Seconded by Clemis Kaikis

Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Celester Hall, Chair, Designee Secretary of Commerce	[ x ]	[ ]	[ ]	[ ]
Clemis Kaikis, designee of Comptroller	[ x ]	[ ]	[ ]	[ ]
Charles Martin	[ x ]	[ ]	[ ]	[ ]
Kehinde Oreagba	[ ]	[ ]	[ ]	[ x ]
Laura Pasternak	[ x ]	[ ]	[ ]	[ ]
Sharon Pinder	[ x ]	[ ]	[ ]	[ ]
Gina Ramsey	[ x ]	[ ]	[ ]	[ ]
Mara Sierocinski	[ x ]	[ ]	[ ]	[ ]

**2. Citation of statutory authority to close session (check all that apply): This meeting is being closed under General Provisions Article § 3-305(b), only:**

\_\_\_\_ (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals;

\_\_\_\_ (2) To protect the privacy or reputation of individuals concerning a matter not related to public business;

\_\_\_\_ (3) To consider the acquisition of real property for a public purpose and matters directly related thereto;

\_\_\_\_ (4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

\_\_\_\_ (5) To consider the investment of public funds;

\_\_\_\_ (6) To consider the marketing of public securities;

**X** (7) To consult with counsel to obtain legal advice on a legal matter;

\_\_\_\_ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;

\_\_\_\_ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

\_\_\_\_ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;

\_\_\_\_ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;

\_\_\_\_ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;

**X** (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;

\_\_\_\_ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, *if* public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

**3. Disclosure of the topics to be discussed, for each citation checked above:**

§3-305(b)(13) topics: Discussion and evaluation of the applications received from potential borrowers for financial assistance under programs of the Maryland Small Business Development Financing Authority, which applications include the disclosure of financial information of private individuals and confidential commercial and financial information.



§3-305(b)(7) topics: Legal advice from counsel to the Authority with respect to the applications.

4. For each topic listed in #2, disclosure of the reason for discussing it in closed session rather than in open session:

§3-305(b)(13): Financial information of private individuals is protected from disclosure under the Maryland Public Information Act (§4-336) and confidential commercial and financial information is protected from disclosure under the Maryland Public Information Act (§4-335).

§3-305(b)(7): Protection of the attorney-client privilege.

**This statement is made by Celester Hall, Chair of the Maryland Small Business Development Financing Authority, Presiding Officer.**

  
Celester Hall  
Chair